GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

STARRED QUESTION NO:604
ANSWERED ON:17.05.2007
FINANCIAL ASSISTANCE FOR ESTABLISHING FOOD PROCESSING UNITS
Thomas Shri P.C.

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Union Government has received proposals from various State Governments seeking financial assistance for establishment of food processing units in their States;

(b) if so, the State-wise details thereof; and

(c) the action taken by the Union Government thereon?

Answer

MINISTER OF THE STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) OF THE LOK SABHA STARRED QUESTION NO. 604 FOR 17.05.2007 REGARDING FINANCIAL ASSISTANCE FOR ESTABLISHING FOOD PROCESSING UNITS

Yes Sir. Under the Scheme for Technology Upgradation/ Modernization/ Establishment of food processing industries, the Ministry of Food Processing Industries extends financial assistance to food processing units in the form of grant-in- aid @ 25% of the cost of plant and machinery and technical civil works subject to maximum of Rs.50 lakhs in general areas or 33.33% subject to maximum of Rs.75 lakhs in difficult areas such as Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Sikkim and North Eastern States, A & N Islands, Lakshadweep and ITDP Areas. Under Mini Mission IV of Technology Mission for Integrated Development of Horticulture in North Eastern States including Sikkim, J & K, Uttarakhand and Himachal Pradesh, assistance at still higher rates i.e. @ 50% upto Rs.4 crores for promotion of new units and upto Rs.1 crore for upgradation/ modernization of existing units is available for processing of horticultural produce. State-wise details of proposals received and approved for assistance under the scheme during the last three years i.e.2004-05 to 2006-07 are as follows:

Sl. No.	Name of States/UTs	Number of proposals received	Number of proposals approved	Number of closed/rejected
(1)	(2)	(3)	(4)	(5)
1.	Andhra Pradesh	207	97	58
2.	Arunachal Pradesh	6	0	0
3.	Assam	40	24	3
4.	Bihar	15	5	5
5.	Chhattisgarh	18	10	3
6.	Daman and Diu	1	0	0
7	Delhi	20	10	6
8.	Goa	7	3	2
9.	Gujarat	97	36	30
10.	Haryana	59	28	18
11.	Himachal Pradesh	41	19	6
12.	Jammu and Kashmir	32	9	5
13.	Jharkhand	15	8	0
14.	Karnataka	107	63	26
15.	Kerala	87	54	8
16.	Madhya Pradesh	68	31	17
17.	Maharashtra	319	170	64
18.	Manipur	11	4	2
19.	Meghalaya	6	4	2
20.	Mizoram	4	0	3
21.	Nagaland	30	3	5
22.	Orissa	42	15	26
23.	Pondicherry	1	5	0
24.	Punjab	52	55	12
25.	Rajasthan	108	42	26

26. Sikkim 1 0 0
27. Tamilnadu 138 81 33
28. Tripura 1 1 0
29. Uttar Pradesh 131 102 27
30. Uttarakhand 47 25 2
31. West Bengal 97 53 21
32. Chandigarh 1 0 1

Note: Figures of approved, closed/rejected proposals in Columns (4) & (5) may not tally with the number of proposals received in Column (3), as the figures in Column (4) & (5) may include proposals received in earlier years also.

The Government has been taking various measures on a continuous basis for the promotion of food processing industries in the country. This includes encouraging State Governments to give importance to development of food processing industry and drawing up food processing industry policy in the States. The measures taken in this regard include organizing Conference of State Ministers of food processing industries, periodic interaction with State Nodal Agencies, organization of Investor's Meeting in association with Industry Associations, etc. The Ministry has also launched a publicity campaign through print and electronic media to promote the consumption of processed food.

Government has enacted an Integrated Food Law entitled "Food Safety and Standards Act 2006" in place of multiplicity of food laws and enforcement agencies. This would facilitate investment in the food processing sector.

A detailed review of the 10th Plan schemes has been undertaken and based on the findings and consultation with stake-holders, schemes in the 11th plan are being revamped. Since one of the major constraints for the low level of processing in agro-food products is lack of infrastructure such as cold chain facilities and inefficient supply chain, in the 11th Plan, the Ministry will be implementing a revamped Scheme for Infrastructure Development under which, it will give financial assistance for setting up of Mega Food Parks, cold chain infrastructure, modernization of abattoirs, setting up of quality control laboratory, etc.

Various fiscal and tax incentives have been provided to food processing industry in the form of excise duty reduction/abolition, customs duty concession on import of machinery for food processing industry.

On the basis of Vision 2015 on Food Processing Industries adopted by the Ministry, an integrated strategy and action plan for the growth of food processing industry sector has been drawn up.